



STATE BOARD OF EQUALIZATION

April 11, 1962

Mr. W. A--- E---
Excise Tax Supervisor
U--- --- of California
U--- O--- C---
--- --- XX, California

AA-X-XXXX

Dear Mr. E---:

This is with further reference to our letter of January 5, which partly answered your letter of December 6, 1961, relating to the application of sales tax to sales of bonded turbine fuel. You will recall that we proposed to give further consideration to the matter and to consult with the Office of the Attorney General.

As a result of the consultation, it has been concluded that pursuant to Section 6352 of the California Sales and use Tax Law sales of bonded jet fuel to aircraft, which under federal law are allowed to withdraw such fuel free from customs duty and Internal Revenue Taxes, are exempt from California sales tax.

It is clear that the combined effect of present Section 1309 of Title 19 of the U.S.C.A., and the Regulations issued pursuant to that section would make California sales tax levied upon sales of bonded jet fuel free from customs duty and Internal Revenue taxes conflict with the Federal government's regulation of foreign and interstate commerce. Therefore, such sales are exempt under Section 6352 of the California Sales and Use Tax Law.

As there are no federal constitutional or statutory prohibitions against California applying its sales tax to sales of non-bonded jet fuel, and as there is no exemption in the California Constitution or the California Revenue and Taxation Code for sales of non-bonded jet fuel, it is mandatory that California collect sales tax on sales of non-bonded jet fuel.

Very truly yours,

E. H. Stetson
Tax Counsel

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cc: --- --- (--) -- Asst. District Administrator